

### Example - Applying to the Fund for a BEA Program Award

In August 2001, National Country Bank, an \$800 million bank located in rural South Dakota, is considering applying to the CDFI Fund for a BEA Program award. National Country Bank made a \$100,000 Equity Investment in a start-up CDFI (a community development venture capital fund) in January 2001. In June 2001, the venture capital CDFI approached the bank requesting a \$500,000 Equity Investment. In addition, a local community development credit union (that is also a certified CDFI) approached the bank for financial support.

In November 2001, the bank submitted an application to the CDFI Fund for a BEA Program award. It reported on the activities carried out during the Baseline Period (January 1, 2001 to June 30, 2001) and projected the activities it anticipated carrying out during the Assessment Period (January 1, 2002 to June 30, 2002). Based on the numbers provided below, the bank estimated that it would qualify for a BEA Program award of \$71,000.

<b>National Country Bank Initial Application: Estimated Activities</b>					
<b>CDFI RELATED ACTIVITIES</b>	Baseline Period 1/1/01- 6/30/01	Assessment Period 1/1/02- 6/30/02	Actual Change in Activity	Award Percentage	Award Amount
Equity Investments	\$100,000	\$500,000	\$400,000	0.15	\$60,000
CDFI Support Activities	\$0	\$100,000	\$100,000	0.11 (non- CDFIs) 0.33 (CDFIs)	\$11,000
Estimated Award Amount for CDFI Related Activities					\$71,000

In May 2002, National Country Bank purchases a \$100,000 3-year certificate of deposit from the local credit union at a below market interest rate of 1 percent. In early June 2002, the bank makes a \$750,000 Equity Investment in the venture CDFI. In August 2002, the bank submits a Final Report to the Fund reporting on the activities actually carried out during the Assessment Period. Based on the activities actually carried out during the Assessment Period, the bank qualifies for a BEA Program award of \$108,500.

<b>National Country Bank Final Report: Actual Activities</b>					
<b>CDFI RELATED ACTIVITIES</b>	Baseline Period 1/1/01- 6/30/01	Assessment Period 1/1/02- 6/30/02	Actual Change in Activity	Award Percentage	Award Amount
Equity Investments	\$100,000	\$750,000	\$650,000	0.15	\$97,500
CDFI Support Activities	\$0	\$100,000	\$100,000	0.11 (non- CDFIs) 0.33 (CDFIs)	\$11,000
Estimated Award Amount for CDFI Related Activities					\$108,500

Provided the CDFI Fund has sufficient funds, it would issue a Notice of Awards to National Country Bank by September 30, 2002. The bank would sign the Notice of Award and return a copy to the Fund. Upon receiving the signed Notice of Award, the Fund would disburse the award. Typically, the Fund disburses the full amount of the awards by the end October. The Fund disburses on awards as the awardee disburses on the qualified activities upon which the award is based. Awardees have three years to disburse on the qualified activities and receive the corresponding portion of the BEA Program award.